

## BACKGROUNDER

### FULL FAMILY OF PRODUCTS INHABITS THE WORLD OF NINTENDO

#### **-- Retailers Report Continued Success --**

At the end of Nintendo's most successful year yet, Nintendo<sup>R</sup> retailers are crediting the company's World of Nintendo<sub>SM</sub> merchandising program with having a pivotal role in increasing sales and visibility.

Following successful test marketing of the World of Nintendo concept in the Northeast and the Midwest in early 1989, more than 90 retailers -- representing 6,000 outlets from around the nation -- committed to the program. These retailers included major chain stores such as Child World, Target, K-Mart, Woolworth, Toys 'R' Us and FAO Schwarz. And the results were dramatic.

According to Peter Main, Nintendo of America's vice president of marketing, "Since we introduced the World of Nintendo 'store-within-a-store' concept, retailers who have implemented the program have reported a significant increase in both sales and traffic in their stores. We've seen almost complete acceptance of this program from the retail community."

The World of Nintendo allows each retailer to custom design a merchandising module to fit any store's floor plan and product mix.

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A retailer creates an area in his store, utilizing a minimum of 150 square feet (on average), to be used solely for sale of Nintendo and Nintendo-licensed products. With a special Nintendo-provided merchandise fund, retailers can purchase specially designed World of Nintendo fixtures, signage and displays. In addition, Nintendo provides these retailers with extensive advertising and marketing support.

"Nintendo is one of our most valued suppliers," said Jim Ireton, merchandise manager of the electronics division of Child World, the first stores to test market the World of Nintendo. "The World of Nintendo concept enables us to offer a complete assortment of Nintendo products in a concise, exciting shopping environment," he added.

Recently, many World of Nintendo retailers added a new element to their customer service. Dubbed World Class Service,<sup>SM</sup> the program allows customers to bring Nintendo hardware and software to World of Nintendo retailers for diagnosis and repair, rather than sending them to the company's Redmond, Washington headquarters.

These retailers use special equipment to determine if the system is broken and which components need repair. According to Main, "Not only will World Class Service make repairs more convenient, but being able to test products for problems will save customers from sending in systems that don't actually need repairs -- avoiding unnecessary down time."

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As Nintendo continues to receive retailer response to the World of Nintendo program, the company will introduce additional fixtures and displays to offer even greater flexibility in designing layouts. Numerous licensee products will also be added to the assortment of products already offered.

"We've found it to be very successful, and we're enjoying fabulous customer response," commented David Stewart, senior vice president of merchandising at Child World. "It's added excitement to our stores and increased sales for Nintendo as well."

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